

IN THE UNITED STATES DISTRICT COURT
FOR THE MIDDLE DISTRICT OF NORTH CAROLINA
CIVIL ACTION NO: 1:22-cv-00012-WO-JEP

SUSIE JORDAN, as parent and Guardian
Ad Litem of A.E.J (a minor) and B.A.J. (a
minor), and SUSIE JORDAN, individually,

Plaintiff,

v.

CHATHAM COUNTY SCHOOLS, in its
official capacity; DAN BARNWELL; G.
DOE (a minor); M. DOE (a minor); GYM
TEACHER DOE A; GYM TEACHER DOE
B; DOES 1 through 20,

Defendants.

AFFIDAVIT OF MELODY COONS

I, Melody Coons, having been duly sworn, do hereby state as follows:


1. My name is Melody Coons. I am a citizen and resident of Wake County, North Carolina. I am not a minor. I am under no legal disability. I am fully competent to make this Affidavit, and I give it based on my own personal knowledge.

2. I am records custodian for the North Carolina School Boards Trust ("NCSBT") risk management program.

3. Attached hereto as **Exhibit A** is a true and correct copy of the coverage agreement between NCSBT and the Chatham County Board of Education, which applies to covered Litigation (as defined in the coverage agreement) filed between 12:01 a.m. on July 1, 2021 and 12:01 a.m. on July 1, 2022, both dates inclusive, subject to all terms and conditions of the coverage agreement.

The forgoing is a true and accurate statement of my knowledge about the matters set forth herein.

This the 4th day of November 2022.

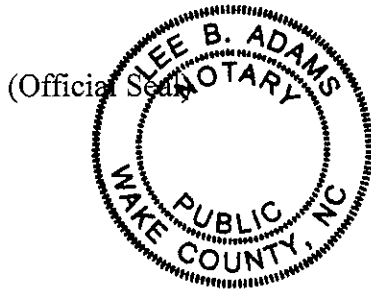


Melody Coons

STATE OF NORTH CAROLINA
COUNTY OF Wake

Personally appeared to me this day, MELODY COONS, who being first duly sworn, deposed, and said that she has read the foregoing Affidavit and knows the contents thereof; that the contents of the same are true of her own knowledge, except to those matters and things stated therein upon information and belief, and as to those, she believes them to be true.

Witness my hand and notarial seal, this the 8th day of November, 2022.



Lee B. Adams
Notary Public

Lee B. Adams
Print Name

My Commission Expires: Oct. 24, 2023



NORTH CAROLINA SCHOOL BOARDS TRUST

**Errors & Omissions/General Liability
Trust Fund Coverage Agreement**

**CHATHAM COUNTY BOARD OF EDUCATION
COVERAGE AGREEMENT NUMBER 2021/2022-EOGL-190**

July 1, 2021 – July 1, 2022

Leanne E Winner

**Leanne Winner
Treasurer**

North Carolina School Boards Trust

7208 Falls of Neuse Rd., Suite 301 ★ Raleigh, N.C. 27615-3244 ★ (919) 841-4040

NCSBT ERRORS & OMISSIONS/GENERAL LIABILITY TRUST FUND COVERAGE AGREEMENT

DECLARATIONS

MEMBER SCHOOL DISTRICT: Chatham County Board of Education

COVERAGE AGREEMENT NUMBER: 2021/2022-EOGL-190

NCSBT COVERAGE

The North Carolina School Boards Trust ("NCSBT") provides local boards of education the opportunity to budget funds for the purpose of paying all or part of a covered Claim made or a civil judgment entered against the board or its members or Employees or former board members or Employees, when such Claim is made or such judgment is rendered as Damages on account of an act done or omission made, or an act allegedly done or omission allegedly made, in the scope of their duties as members of the local board of education or as Employees. NCSBT does not provide any coverage for any Claim which could not be paid by a local board of education pursuant to N.C.G.S. §115C-43(b) or successor statute. The NCSBT Coverage Agreement is not a contract of insurance by a company or corporation duly licensed and authorized to execute insurance contracts in this State or by a qualified insurer as determined by the Department of Insurance. Therefore, the NCSBT Coverage Agreement expressly is not considered a waiver of governmental immunity as provided in N.C.G.S. §115C-42. Coverage provided in the NCSBT Coverage Agreement is subject to the Declarations, Fund Limits, Definitions, Exclusions, and Conditions set forth below.

In 2011, the North Carolina General Assembly appropriated funding for, and the State of North Carolina began purchasing, professional liability insurance for North Carolina public school employees. No coverage provided in this Coverage Agreement duplicates state-funded liability insurance coverage.

CLAIMS-MADE COVERAGE

Coverage for General Liability and Errors and Omissions described herein is provided on a claims-made basis. This coverage applies only to those Claims that are first made against a Member during the Coverage Period, provided such Claims relate to Incidents taking place on or after the Retroactive Date shown herein. Review this Coverage Agreement and any endorsements attached to it carefully. This Coverage Agreement provides for a limited extended reporting period during which some General Liability and Errors and Omissions Claims made against a Member may be covered in case this Coverage Agreement is canceled or expires and is not renewed.

COVERED ENTITIES AND/OR PERSONS:

The participating Member School District shown above and other persons defined as "Members" herein.

LIMITS OF LIABILITY

The following limits are inclusive of pre-judgment and post-judgment interest and costs awarded against the Member:

	FUND LIMITS	EXCESS INSURANCE LIMITS (if any)
GENERAL LIABILITY	\$150,000 each Claim made/ \$600,000 Coverage Period aggregate	\$850,000 each Claim made/ \$2,550,000 Coverage Period aggregate
ERRORS AND OMISSIONS	\$150,000 each Claim made/ \$600,000 Coverage Period aggregate	\$850,000 each Claim made/ \$2,550,000 Coverage Period aggregate
SEXUAL ACTS & ABUSE LIABILITY	\$250,000 each Claim made/ \$500,000 Coverage Period aggregate	--

CYBER LIABILITY (if applicable)	\$100,000 each Claim made/ \$300,000 Coverage Period aggregate	--
DRONE LIABILITY	\$100,000 each Claim made/ \$300,000 Coverage Period aggregate	--

COVERAGE PERIOD

Effective from July 1, 2021 to the earlier of July 1, 2022 or the cancellation date set forth in written notice to the Member School District pursuant to the Cancellation and/or Revisions condition set forth below. All dates hereunder are at 12:01 a.m. Eastern Standard Time.

DEDUCTIBLE

\$5,000 per Claim.

RETROACTIVE DATE

General Liability and Errors and Omissions Coverage provided by this Agreement applies only to Claims arising from Incidents occurring on or after the Retroactive Date of 12:01 a.m.: See Retroactive Date Endorsement.

COVERAGE AGREEMENT

General Liability: The Fund hereby agrees, subject to the Declarations, Fund Limits, Definitions, Exclusions, and Conditions contained herein, to pay on behalf of the Member Damages resulting from any Claim or Claims first made against the Member and reported to the Fund during the Coverage Period stated in the Declarations of this Coverage Agreement for any Bodily Injury and Personal Injury (excepting injuries to Employees of a Member School District injured in the course of their employment) or Property Damage, but only if such Bodily Injury, Personal Injury, or Property Damage first occurs during the Coverage Period or on or after the Retroactive Date in the Declarations and is caused by the acts or omissions of a Member.

Errors and Omissions: The Fund hereby agrees, subject to the Declarations, Fund Limits, Definitions, Exclusions, and Conditions contained herein, to pay on behalf of the Member Damages resulting from any Claim or Claims first made against the Member and reported to the Fund during the Coverage Period stated in the Declarations of this Coverage Agreement for any Wrongful Act of the Member or of any other person for whose actions the Member is legally responsible, but only if such Wrongful Act first occurs during the Coverage Period or on or after the Retroactive Date in the Declarations and is caused by the acts or omissions of a Member.

Sexual Acts and Abuse Liability: The Fund hereby agrees, subject to the Declarations, Fund Limits, Definitions, Exclusions, and Conditions contained herein, to pay on behalf of the Member Damages resulting from any Claim or Claims first made against the Member and reported to the Fund during the Coverage Period stated in the Declarations of this Coverage Agreement alleging (1) negligent hiring, negligent supervision, negligent reporting, negligent investigation, negligent training and/or negligent retention of another person who is alleged to have engaged in sexual acts, sexual molestation, sexual harassment, sexual assault, sexual misconduct, an improper relationship, or a boundary violation which resulted in Bodily Injury and/or Emotional Injury (excepting injury to Employees of a Member School District injured in the course of their employment); and/or (2) negligent acts or failure to act in response to notice of sexual acts, sexual molestation, sexual harassment, sexual assault, sexual misconduct, improper relationships, or boundary violations which resulted in Bodily Injury and/or Emotional Injury (excepting injury to Employees of a Member School District injured in the course of their employment). This coverage applies only if such Bodily Injury and/or Emotional Injury first occurs during the Coverage Period or on or after the Retroactive Date in the Declarations and is caused by the acts or omissions of a Member. Provided, however, that nothing herein shall be construed as providing coverage for any Member who is alleged to have engaged in, participated in, or knowingly allowed the alleged sexual acts, sexual molestation, sexual harassment, sexual assault, sexual misconduct, improper relationship, or boundary violation or for any Member who is found to be vicariously liable for such conduct.

Cyber Liability (applicable only if the Member is not an insured under any commercial cyber liability insurance policy or a covered member or person under any cyber liability coverage agreement): The Fund hereby agrees, subject to the Declarations, Fund Limits, Definitions, Exclusions, and Conditions contained herein, to pay on behalf of the Member Damages resulting from any Claim or Claims first made against the Member and reported to the Fund during the Coverage Period stated in the Declarations of this Coverage Agreement for any Electronic Information Security Wrongful Act of the Member or of any other person for whose actions the Member is legally responsible, but only if such Electronic Information Security Wrongful Act first occurs during the Coverage Period or on or after the Retroactive Date in the Declarations and is caused by the acts or omissions of a Member. Provided, however, that as a condition precedent to the Cyber Liability coverage, the Member will install available software product updates and releases or apply security-related software patches to computers and other components of a computer system within 30 days of the date that such updates, releases, or patches are available to the Member.

Drone Liability (for scheduled Drones): The Fund hereby agrees, subject to the Declarations, Fund Limits, Definitions, Exclusions, and Conditions contained herein, to pay on behalf of the Member Damages resulting from any Claim or Claims first made against the Member and reported to the Fund during the Coverage Period stated in the Declarations of this Coverage Agreement for any Bodily Injury or Personal Injury (excepting injuries to Employees of the Member School District injured in the course of their employment) or Property Damage arising out of the operation of a Drone by or under the direct, in-person supervision of a Member, but only if the Drone is included in the Member School District's schedule on file with NCSBT at the time of the incident giving rise to the Claim or Claims, and only if such Bodily Injury, Personal Injury, or Property Damage first occurs during the Coverage Period or on or after the Retroactive Date in the Declarations and is caused by the acts or omissions of a Member.

DEFINITIONS

Whenever the following words or phrases appear in the Coverage Agreement, they are defined as follows:

Armed Law Enforcement Officers means Employees (i) who are police officers, school resource officers, security guards, or who otherwise perform security or public safety duties for the Member School District; and (ii) who carry or have access to a firearm, taser, stun gun, or chemical weapon, including but not limited to mace, tear gas, or pepper spray.

Athletics means any and all interscholastic, intramural, club, team, individual, and school-sponsored sports, athletics, cheering, or other physical activities, games, exercise, or competition.

Athletic Trainer means an Employee of the Member School District (i) who is licensed as an athletic trainer pursuant to N.C.G.S. §90-522 et seq.; or (ii) who is not a licensed, registered, or certified health care provider under Chapter 90 of the North Carolina General Statutes but who performs the activities of an athletic trainer within the scope of his or her employment for the Member School District.

Automobile means a land motor vehicle, trailer, or semi-trailer designed for travel on public roads but does not include Mobile Equipment.

Bodily Injury means physical injury, sickness, or disease, including death resulting from any of these. Bodily Injury does not include any type of Emotional Injury suffered by any person unless the Emotional Injury arises out of that person's physical injury, sickness, or disease.

Claim means Litigation against the Member filed during the Coverage Period. A Claim shall be deemed to have been made on the date the complaint, petition for judicial review, or appeal of administrative decision is first filed against the Member in the Litigation in federal district court, state district court, or state superior court.

Computer System means the Member School District's computer hardware (including laptops and mobile devices), operating systems, firmware, software, and the data stored thereon, as well as associated input and output devices, data storage devices, networking equipment, and Storage Area Network or other electronic data backup facilities.

Contaminant means any solid, liquid, gaseous, or thermal pollutant, contaminant, waste, irritant, toxin, toxicant, or poison, including but not limited to smoke, vapor, soot, dust, fumes, carbon monoxide, acids, alkalis, chemicals, dirt, silt, mud, lead,

silica, sewage, petroleum, asbestos, food-borne contaminants, allergens, fungi, mold, bacteria, and viruses. Waste includes materials to be recycled, reconditioned, or reclaimed.

Coverage Agreement means this document describing the coverage afforded the Member hereunder.

Coverage Period means the period from the effective date of this Coverage Agreement to the expiration date or earlier cancellation date of this Coverage Agreement.

Cyber Terrorism means any act, including force or violence, or the threat thereof expressly directed against a Computer System that is operated by a Member, perpetrated by an individual or group(s) of individuals, whether acting alone, on behalf of or in connection with any organization(s) or government(s), to cause unauthorized access to, unauthorized use of, or a targeted denial of service attack or transmission of unauthorized, corrupting or harmful software code to a Computer System that is leased, owned, or operated by a Member, for the purpose of furthering social, ideological, religious, economic or political objectives, intimidating or coercing a government or the civilian population thereof, or disrupting any segment of the economy.

Damages means a monetary judgment or a monetary settlement agreed to by the Fund. Except as otherwise excluded under this Coverage Agreement, Damages includes pre-judgment and post-judgment interest awarded on any monetary judgment pursuant to North Carolina law. Damages does not include a monetary judgment or a monetary settlement for Claims excluded by the Coverage Agreement, even if the Fund provides a defense to the Member for such excluded Claims. Damages shall not include the cost to comply with any injunctive, remedial, preventative, or other non-monetary or declaratory relief, including specific performance, or any agreement to provide such relief.

Declarations means the coverages, limits, and deductible provided to the Member and described as such within this Coverage Agreement.

Deductible means that amount of defense costs or Damages per Claim to which this Coverage Agreement applies for which the Member is responsible before the Fund pays for any of the cost of a Claim.

Denial of Service Attack means an intentional attack on a website or a computer network that prevents or slows down access to the website or computer network.

Drone means an unmanned aircraft controlled by remote control from an operator located on the ground while being operated in compliance with all federal, state, and local laws and regulations.

Electronic Information Security Wrongful Act means any neglect, breach of duty, or omission by the Member resulting in (i) transmission of unauthorized, corrupting, or harmful software code to a third party; (ii) the inability of an authorized user to access the Member's website or electronic information system because of a Denial of Service Attack; or (iii) the unauthorized access to or unauthorized use of Personal Information held within the Member's electronic information systems.

Emotional Injury means emotional distress or any other type of mental injury or suffering.

Employee means a person who is employed by the Member School District pursuant to North Carolina Public School Laws, who meets the definition of an employee contained in the Internal Revenue Service Code and Regulations, and who is furnished a W-2 Form by the Member School District for wages or salary paid for such employment. An independent contractor, including but not limited to anyone who receives a Form 1099 from the Member School District as a result of payments made to the independent contractor by the Member School District, is not an Employee within the meaning of this Coverage Agreement.

Excess Insurance means coverage, if any, purchased by NCSBT for the Member School District that provides coverage over and above the Fund Limits as shown in the Declarations, whether such coverage is denominated as excess insurance or reinsurance.

Excess Insurer(s) means the company(ies) and/or underwriter(s) which provide(s) Excess Insurance.

Fund means the North Carolina School Boards Trust Errors & Omissions/General Liability Fund.

Fund Contributions means the consideration paid to the Fund by the Member School District in exchange for the coverage described within this Coverage Agreement.

Health Aide means an Employee of the Member School District who is not a licensed, registered, or certified health care provider under Chapter 90 of the North Carolina General Statutes but who is authorized to provide certain types of medical care to Students pursuant to N.C.G.S. §115C-307(c) and/or N.C.G.S. §115C-375.1.

Incident means an event, situation, or occurrence which results in Bodily Injury, Personal Injury, Property Damage, or a Wrongful Act.

Law Enforcement Activities means (i) the operation of a law enforcement agency, police department, or public safety organization or program which includes, in whole or in part, the services of Armed Law Enforcement Officers; (ii) the acts, errors, or omissions of Armed Law Enforcement Officers; (iii) the adoption or failure to adopt, enforcement or failure to enforce, or violation of school or school board policies, regulations, directives, or specifications related to Armed Law Enforcement Officers; and (iv) the hiring, training, investigation, reporting, retention, or supervision of Armed Law Enforcement Officers.

Litigation means a civil lawsuit at law or in equity for the purpose of enforcing a right. Litigation does not mean arbitration, mediation, or an administrative hearing or proceeding unless arbitration or mediation is ordered by a court.

Member means the Member School District or other educational entity listed on the Declarations page of this Coverage Agreement that has agreed to participate in the Fund. Member shall also mean the school board, the current or former school board members, individually and collectively, while acting within the course and scope of their duties for a participating school district or other educational entity, as well as each current or former adult, non-Student Employee acting within the course and scope of his or her school board employment.

Member School District means the member school district shown in the Declarations of this Coverage Agreement.

Mobile Equipment means bulldozers, construction equipment, farm machinery, forklifts, and other Vehicles designed for use principally off public roads.

NCSBT means the not-for-profit North Carolina School Boards Trust developed, implemented, and managed by the North Carolina School Boards Association.

Participation Agreement means the agreement adopted and executed between the Fund and the Member School District regarding the Member's participation in the NCSBT Errors and Omissions/General Liability Trust Fund.

Personal Injury means injury, other than "Bodily Injury," arising out of one or more of the following offenses:

- a. false arrest;
- b. malicious prosecution;
- c. wrongful eviction;
- d. invasion of the right of privacy;
- e. libel, slander, defamation of character;
- f. piracy;
- g. infringement of a copyright; and
- h. erroneous service of civil papers.

Personal Information means an individual's name, email address, social security number, medical or healthcare data, other protected health information, driver's license number, state identification number, credit card number, debit card number, address, unpublished telephone number, account number, account histories, or passwords; and other nonpublic, personal information as defined in state or federal privacy laws or regulations in any format if such information creates the potential for an individual to be uniquely and reliably identified or contacted.

Property Damage means physical injury to tangible property, including the resulting loss of use of that property. It also means loss of use of tangible property that is not physically injured.

Related Incidents means Incidents arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the same or related facts, circumstances, situations, transactions, or events, or the same or related series of facts, circumstances, situations, transactions, or events, whether related logically, causally, or in any other way, in any combination.

School Nurse means an Employee of the Member School District who is a registered nurse or licensed practical nurse. However, the term "School Nurse" does not include any registered nurse or licensed practical nurse employed by the Member School District who is also licensed, registered, or certified as a nurse practitioner, certified registered nurse anesthetist, certified nurse midwife, clinical nurse specialist, physician, or physician's assistant.

Student means any person enrolled, pursuant to N.C. Gen. Stat. §§ 115C-107.1(a) or 115C-364, in classes governed by the Member School District, or in any state-funded prekindergarten program operated by the Member School District.

Terrorism means an act or series of acts, including the use of force or violence, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s), committed for political, religious, or ideological or similar purposes including the intention to influence any government and/or to put the public or any section of the public, in fear.

Vehicle means a device or conveyance used to transport people or property, whether or not motorized or non-motorized and whether or not used on or off public roads, including but not limited to Automobiles, Mobile Equipment, golf carts, bicycles, Segways, hover boards, carts, soapbox cars, motorcycles, scooters, cross carts, buggies, and crawlers.

Wrongful Act means any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, or omission committed solely in the performance of duties for the Member School District. Wrongful Act shall not include any act which has resulted in Bodily Injury, Emotional Injury, Personal Injury, or Property Damage as defined herein or any Electronic Information Security Wrongful Act.

EXCLUSIONS

The coverage described in this Coverage Agreement does not apply to the following Claims, whether actual or alleged:

1. To any Claim arising out of or in connection with pending or prior Litigation as of the Retroactive Date, to any Claim alleging or derived from the same or essentially the same facts as alleged in such pending or prior Litigation, or to any Claim or Incident of which the Member had reported or given notice to an insurance carrier or other plan of coverage, whether such coverage be primary, excess, contingent, or otherwise, prior to the effective date of its participation in the Fund.
2. To any Claim arising out of or in connection with, in whole or in part, an Incident or Wrongful Act which occurred or was committed prior to the Retroactive Date stated herein.
3. To any Claim arising out of or in connection with, in whole or in part, the ownership, maintenance, use, loading or unloading of, or the traveling in or upon any watercraft or any aircraft. Provided, however, that this exclusion shall not apply to any Claim arising out of or in connection with, in whole or in part, the use, loading or unloading of, or the traveling in or upon any watercraft under 35 feet in length which a Member School District does not own. Provided further that this exclusion shall not apply to the extent coverage is provided under the Drone Liability coverage provided under the Coverage Agreement.
4. To any Claim for Property Damage to property owned by the Member School District.
5. To any Claim arising out of or in connection with, in whole or in part, the rendering of or failure to render professional services provided by health care providers licensed pursuant to Chapter 90 of the North Carolina

General Statutes, including but not limited to the furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances. Provided, however, that this exclusion shall not apply to any Claim alleging liability arising out of or in connection with acts or omissions of School Nurses, Health Aides or Athletic Trainers acting within the course and scope of their duties as Employees of the Member School District, unless such Claim is otherwise excluded under this Coverage Agreement.

6. To any Claim for Bodily Injury sustained by any Employee of the Member School District arising out of or in connection with, in whole or in part, his or her employment with the Member School District (including travel to and from his or her employment with the Member School District).
7. To any Claim for benefits under any workers' compensation, employee disability, occupational disease, unemployment compensation, or similar law or statute.
8. To any Claim for loss of consortium or loss of services brought by the spouse, child, parent, sibling, or other relative of a person making a Bodily Injury Claim.
9. To any Claim made by an Athletics participant (or made by the parent(s) or guardian(s) of an Athletics participant for the participant's medical expenses) arising out of or in connection with, in whole or in part, Athletics, including but not limited to tryouts, selection, practices, games, meetings, training, equipment, participation, discipline, and travel. However, the Fund will defend such a Claim in accordance with the terms and limits set forth herein unless the Claim is otherwise excluded under this Coverage Agreement, but neither the Fund nor any Excess Insurer will have an obligation to pay Damages. This exclusion does not apply to Claims arising from activities occurring during a regularly scheduled physical education class or during recess.
10. To any Claim arising out of or in connection with, in whole or in part, the ownership, use, maintenance, or operation of any trampoline. Provided, however, that this exclusion shall not apply to any Claim arising out of or in connection with mini trampolines while being used with Students who are receiving special education services from the Member School District, unless such Claim is otherwise excluded under this Coverage Agreement.
11. To any Claim arising out of or in connection with, in whole or in part, any exposure to, any contact with, or any growth, presence, existence, discharge, dispersal, seepage, migration, manufacturing, transportation, storage, abatement, disposal, removal, use, release, escape, ingestion, testing for, injection of, or inhalation of one or more Contaminants, medicines, or drugs, regardless of whether gradual, sudden, accidental, intentional, indoors or outdoors, or any combination thereof. This exclusion also applies to any loss, cost, or expense arising out of any (a) request, demand, or order that any Member or other person or entity test for, monitor, clean up, abate, remove, contain, treat, detoxify, neutralize, or in any way respond to or assess the effects of Contaminants; or (b) Claim by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, abating, removing, containing, treating, detoxifying, neutralizing, or in any way responding to or assessing the effects of Contaminants.
12. To any Claim (other than a Personal Injury Claim) arising out of or in connection with, in whole or in part: (a) willful violation of any law; (b) dishonest, fraudulent, malicious, wanton, willful, intentional, or criminal acts; (c) acts of reckless or deliberate indifference; or (d) eminent domain or inverse condemnation. Provided, however, the General Liability coverage afforded by the Fund (but not the coverage afforded by Excess Insurance, if any) does apply, except as otherwise excluded under this Coverage Agreement, to Claims alleging negligent hiring, negligent training, negligent reporting, negligent investigation, negligent retention, and/or negligent supervision arising out of or in connection with the conduct excluded under this exclusion, subject to the Fund Limits shown in the Declarations. The Excess Insurance (if any) does not provide coverage for Claims to which this exclusion applies, including but not limited to Claims for negligent hiring, negligent training, negligent reporting, negligent investigation, negligent retention, and/or negligent supervision. This exclusion shall not apply to a Claim for Bodily Injury arising out of corporal punishment administered in compliance with the written corporal punishment policy of the Member School District.
13. To any Claim for Personal Injury arising out of or in connection with, in whole or in part, (a) dishonest, fraudulent, or criminal acts; (b) acts of reckless or deliberate indifference; (c) oral or written publication of material, if done

with knowledge of its falsity; or (d) acts done by or at the direction of the Member with the knowledge that the act would violate the rights of another and would inflict Personal Injury. Provided, however, the General Liability coverage afforded by the Fund (but not the coverage afforded by Excess Insurance, if any) does apply, except as otherwise excluded under this Coverage Agreement, to Claims alleging negligent hiring, negligent training, negligent reporting, negligent investigation, negligent retention, and/or negligent supervision arising out of or in connection with the conduct excluded under this exclusion, subject to the Fund Limits shown in the Declarations. The Excess Insurance (if any) does not provide coverage for Claims to which this exclusion applies, including but not limited to Claims for negligent hiring, negligent training, negligent reporting, negligent investigation, negligent retention, and/or negligent supervision.

14. To any Claim arising out of or in connection with, in whole or in part, the disregard or violation of one or more school board or school policies, regulations, directives, or specifications. However, the Fund will defend such a Claim in accordance with the terms and limits set forth herein unless the Claim is otherwise excluded under this Coverage Agreement, but neither the Fund nor any Excess Insurer will have an obligation to pay Damages; except that no defense will be provided to any Member who knowingly disregarded or violated one or more school board or school policies, regulations, directives, or specifications.
15. To any Claim arising out of or in connection with, in whole or in part, the gaining of any personal profit or advantage to which a Member is not legally entitled.
16. To any Claim arising out of or in connection with, in whole or in part, breach of fiduciary duty, responsibility, or obligation in connection with any employee benefit program or pension plan; to any Claim for any amount due under any fringe benefit or retirement program; to any Claim, settlement, or award for salary, overtime pay, employee benefits, fringe benefits, or retirement benefits, whether accrued or otherwise; or to any Claim made under or pursuant to the Fair Labor Standards Act. However, the Fund will defend such a Claim in accordance with the terms and limits set forth herein unless the Claim is otherwise excluded under this Coverage Agreement, but neither the Fund nor any Excess Insurer will have an obligation to pay Damages.
17. To any Claim for breach of contract or for an amount due under the terms of any contract or to any Claim arising out of or in connection with, in whole or in part, a contractual obligation or contractual dispute; or to any Claim arising out of or in connection with, in whole or in part, the use of facilities of the Member School District by anyone other than the Member School District. However, the Fund will defend such a Claim in accordance with the terms and limits set forth herein unless the Claim is otherwise excluded under this Coverage Agreement, but neither the Fund nor any Excess Insurer will have an obligation to pay Damages.
18. To any Claim arising out of or in connection with, in whole or in part: (a) the ownership, leasing, purchasing, maintenance, operation, use, loading, or unloading of, or any instruction related to any Automobile; (b) bus assignment or the supervision of Students or other persons getting on, getting off, or riding in Automobiles; (c) the design, location, or maintenance of bus routes, bus stops, roadways, signs, gates, bicycle routes, traffic flow, or ingress to/egress from school property; or (d) the hiring, training, retention, or supervision of any person who is involved in or has responsibility for any of the activities excluded from coverage under this exclusion.
19. To any Claim seeking declaratory, injunctive, or other equitable relief or the cost of seeking such relief, including attorneys' fees. However, the Fund will defend such a Claim in accordance with the terms and limits set forth herein unless the Claim involves or is in any way related to the denial of coverage, reservation of rights, or any other determination of coverage under any coverage agreement (including but not limited to any NCSBT Coverage Agreement) or any commercial insurance policy or is otherwise excluded under this Coverage Agreement.
20. To any Claim arising out of or in connection with, in whole or in part, the failure to maintain any insurance or bond. However, the Fund will defend such a Claim in accordance with the terms and limits set forth herein unless the Claim is otherwise excluded under this Coverage Agreement, but neither the Fund nor any Excess Insurer will have an obligation to pay Damages.
21. To any double, treble, punitive, or liquidated damages or to any fine, penalty, or monetary sanction imposed upon or assessed against any Member; or to any Claim for or award of attorneys' fees and/or expenses against a Member.

22. To any Claim arising out of or in connection with, in whole or in part, war, invasion, civil war, insurrection, rebellion, revolution, Terrorism, or damage to property by or under the direction of any government or public authority. Provided, however, that this exclusion shall not apply to an act of Cyber Terrorism to the extent coverage is provided under the Cyber Liability coverage provided under this Coverage Agreement.
23. To any Claim arising out of or in connection with, in whole or in part, sexual acts, sexual molestation, sexual harassment, sexual assault, or sexual misconduct of any kind; or improper relationships or boundary violations. This exclusion includes allegations of negligent hiring, negligent supervision, negligent reporting, negligent investigation, negligent training, and/or negligent retention of another person who is alleged to have engaged in sexual acts excluded herein. Provided, however, that this exclusion shall not apply to the extent coverage is provided under the Sexual Acts and Abuse Liability coverage provided under this Coverage Agreement. This exclusion also includes allegations of a negligent act or failure to act in response to notice of wrongful conduct excluded herein.
24. To any Claim covered, in whole or in part, by any NCSBT Automobile/Inland Marine Coverage Agreement or by any policy of insurance covering automobile liability (whether primary, excess, umbrella, or other).
25. To any Claim arising out of or in connection with, in whole or in part, financial malfeasance, financial dishonesty, financial mismanagement, financial negligence, and/or bookkeeping, accounting, or billing errors or omissions. This exclusion includes but is not limited to claims for breach of fiduciary duty arising out of any financial-related conduct.
26. To any Claim arising out of or in connection with, in whole or in part, (a) a violation of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA") and/or the administrative regulations issued by the United States Secretary of Health and Human Services pursuant to HIPAA; (b) violation of the Telephone Consumer Protection Act, the CAN-SPAM Act of 2003, the Fair Credit Reporting Act, the Fair and Accurate Credit Transactions Act, or any federal, state, or local statute, ordinance, or regulation that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating, or distribution of material or information; or (c) access to or disclosure of any person's or organization's confidential or Personal Information, including but not limited to patents, trade secrets, processing methods, customer lists, financial information, credit card information, health information, or any other type of non-public information. Provided, however, that this exclusion shall not apply to the extent coverage is provided under the Cyber Liability coverage provided under this Coverage Agreement.
27. To any Claim that is covered, in whole or in part, by and/or is subject to the North Carolina State Tort Claims Act, regardless of the venue or forum in which the Claim is filed.
28. To any Claim for intentional infliction of emotional distress or negligent infliction of emotional distress. However, the Fund will defend such a Claim in accordance with the terms and limits set forth herein, unless the Claim is otherwise excluded under this Coverage Agreement, but only if such a Claim is made against a Member who is not alleged to have personally engaged in, participated in, or knowingly allowed any alleged crime, assault, battery, sexual act, sexual molestation, sexual harassment, sexual assault, sexual misconduct, improper relationship, or boundary violation. However, neither the Fund nor any Excess Insurer will have an obligation to pay Damages.
29. To any Claim made by or on behalf of a person (other than a Student or the parent or guardian of a Student) arising out of or in connection with, in whole or in part, any before-school, after-school, extended day, vacation, teacher workday, inclement weather, holiday, day care, or other child care program.
30. To any Claim for Bodily Injury, Emotional Injury, Property Damage, or Personal Injury brought by one Member against another Member (other than the Member School District).
31. To any award of pre-judgment or post-judgment interest awarded against a Member School District or against any Member sued in his or her official capacity.

32. To any Claim arising out of or in connection with the collection, receipt, payment or distribution of, or entitlement to, any penalty, fine, or forfeiture.
33. To any Claim against any Member who is an insured under any state-funded liability insurance policy for North Carolina public school employees, whether such liability insurance policy is primary, excess, contingent, or otherwise. Provided, however, that this exclusion shall not apply when the state-funded liability carrier has declined to provide a defense and:
- a. the Claim is one in which an Employee is sued only in his or her official capacity, unless such Claim is otherwise excluded under this Coverage Agreement; or
 - b. the Claim falls within the scope of the Sexual Acts and Abuse Liability, Cyber Liability (if applicable), Drone Liability, or Personal Injury coverages provided under this Coverage Agreement, unless such Claim is otherwise excluded under this Coverage Agreement; or
 - c. the Claim is one for Wrongful Acts brought by a current or former Employee against a Member, unless such Claim is otherwise excluded under this Coverage Agreement; or
 - d. the Claim seeks only declaratory, injunctive, or other equitable relief or cost of seeking such relief, including attorneys' fees, unless such Claim is otherwise excluded under this Coverage Agreement.
34. To any Claim brought by any school and/or its governing board or board of directors, or by any school district or board of education, against a Member or Members hereunder. However, the Fund will defend such a Claim in accordance with the terms and limits set forth herein unless the Claim is otherwise excluded under this Coverage Agreement, but neither the Fund nor any Excess Insurer will have an obligation to pay Damages.
35. To any Claim arising out of or in connection with, in whole or in part, Law Enforcement Activities.
36. To any Claims arising out of or in connection with, in whole or in part, the use, misuse, or failure to use or the handling, brandishing, firing, storing, securing, or cleaning of a firearm, by a Member or a volunteer school safety resource officer, unless such Claim is covered by Endorsement.
37. To any Claim arising out of or in connection with, in whole or in part, (a) an Electronic Information Security Wrongful Act; (b) electronic data security breach including failure to notify; (c) loss of or damage to electronic data; (d) damage to software, hardware, and other electronic equipment caused by malware or other cyber threats; or (e) any failure to install available software product updates and releases, or to apply security-related software patches to computers and other components of a computer system, when such updates, releases, or patches have been available to the Member for more than 30 days. Provided, however, that this exclusion shall not apply to the extent coverage is provided under the Cyber Liability coverage provided under this Coverage Agreement.
38. To any Claim arising out of or in connection with, in whole or in part: (a) the electronic malfunction and/or failure of electronic components, accessories, or power equipment of a Drone; (b) the operation of a Drone which is over 20 inches in length and/or weighs more than five pounds; (c) the operation of a Drone at an altitude higher than 400 feet or at a speed faster than 50 miles per hour; (d) the operation of a Drone between sunset and sunrise, in weather that allows less than three miles of visibility, outside the operator's visual line of sight, or indoors; or (e) the operation of a Drone that was not included in the Member's schedule on file with NCSBT at the time of the incident giving rise to the Claim.
39. To any Claim arising out of or in connection with, in whole or in part, a Lab School operated pursuant to Chapter 116, Article 29A, or a school within the Innovative School District, operated pursuant to Chapter 115C, Article 7A. Provided, however, that the Fund will defend Claims arising out of or in connection with, in whole or in part, a Lab School operated pursuant to Chapter 116, Article 29A, or a school within the Innovative School District, operated pursuant to Chapter 115C, Article 7A, but neither the Fund nor any Excess Insurer will have an obligation to pay damages.

40. To any Claim that (1) would otherwise be covered under the Cyber Liability provisions of this Coverage Agreement and (2) is made against any Member who is an insured under any commercial cyber liability insurance policy or a covered member or person under any cyber liability coverage agreement, whether such insurance or coverage agreement is primary, excess, contingent, discretionary, or otherwise.
41. To any Claim arising out of or in connection with, in whole or in part, the operation or use of any Vehicle in any prearranged, organized or spontaneous racing contest, speed contest, stunt activity, or demolition contest, or while practicing or preparing for any such contest or activity.

CONDITIONS

Appeals

The decision to pay for any appeal of any judgment or order in any Litigation being defended by the Fund shall rest solely with the Fund. Should the Fund elect not to appeal a judgment or order and the Member decide to undertake such an appeal, the liability of the Fund for the cost of Litigation and any judgment and/or settlement resulting from the appeal shall not exceed the amount of the Fund's liability, if any, before the Member attempted such an appeal.

When the Fund makes the decision to appeal a judgment or order in any Litigation, the Fund will pay the cost of purchasing appeal and stay of execution bonds but only for bond amounts within the applicable limits of liability. The Fund will have no obligation to furnish such bonds.

Assignment

Assignment of interest under this Coverage Agreement shall not bind the Fund unless and until the Fund has provided written consent of such assignment.

Cancellation and/or Revisions

As set forth in the Participation Agreement, this Coverage Agreement is provided for a twelve-month Fund year or remaining portion thereof, with the following exceptions:

1. The Fund may cancel this Coverage Agreement, in the event of failure by the Member School District to pay all Fund Contributions or to maintain its membership in the North Carolina School Boards Association, by providing the Member School District fifteen (15) days' written notice of cancellation.
2. The Fund may revise or cancel this Coverage Agreement should Excess Insurance, if any, purchased by the Fund be revised, canceled, terminated, or not renewed by any Excess Insurer(s) from which insurance coverage has been purchased. Notice of revision or cancellation of this Coverage Agreement caused by revision, cancellation, termination, and/or non-renewal of any Excess Insurance will be provided to the Member School District by the Fund, as soon as practical, upon receipt of such notice by the Fund.
3. The Fund may revise or cancel this Coverage Agreement or change the Fund Contributions by giving fifteen (15) days' written notice to the Member School District, should any legislation or court decision void, restrict, or otherwise limit the defenses of governmental immunity available to the Member or to the Fund.
4. The Fund may revise or cancel this Coverage Agreement or change the Fund Contributions in the event that there is a cancellation of or change to any state-funded liability insurance policy issued for North Carolina public school employees. Notice of any revision to or cancellation of this Coverage Agreement and/or change in the Fund Contributions will be provided to the Member School District by the Fund, as soon as practical, upon the Fund's receipt of notice of cancellation of or change to any state-funded liability insurance policy issued for North Carolina public school employees.

If the Fund cancels this Coverage Agreement, the Fund shall do so by mailing written notice of cancellation to the address of the Member School District.

Complete Agreement

By acceptance of this Coverage Agreement and having approved the Participation Agreement, the Member School District agrees that these Agreements embody all agreements between the Fund and the Member School District.

Commercial Insurance and/or Other Coverage

This is a manuscript Coverage Agreement. Coverage provided by this Coverage Agreement is written and priced to reflect the intent of the parties that this Coverage Agreement is excess over coverage available to a Member as defined herein and shall apply only as excess over any and all insurance policies, coverage programs, self-insurance programs, and defense/indemnification arrangements, whether primary, excess, umbrella, or contingent, and whether collectible or not, to which the Member is entitled or should have been entitled, by contract or operation of law, to coverage or to payment, including but not limited to payment of defense and/or indemnification. Coverage provided under this Coverage Agreement is specifically excess over any and all insurance policies, coverage programs, self-insurance programs, and defense/indemnification arrangements provided by an association or teacher union to a person defined as a Member herein, including but not limited to coverage provided through the National Education Association or any national or state coaches, athletic, school administrators, or teachers associations or similar member associations. Coverage provided under this Coverage Agreement is specifically excess over coverage provided by any and all insurance policies, coverage programs, self-insurance programs, and/or defense/indemnification arrangements which purport to be excess to or recite that they are excess to insurance programs, self-insurance, and/or liability coverage purchased by or on behalf of an educational unit or to a Coverage Agreement issued to a Member of the North Carolina School Boards Association through the North Carolina School Boards Trust. This Coverage Agreement will not contribute with any other liability coverage or insurance. In no event will the Fund pay more than its applicable limit of liability. Members shall cooperate with the Fund to determine the existence, availability, and coverage of any and all insurance policies, insurance programs, self-insurance programs, and defense/indemnification arrangements.

Conflicting Law

Terms of this Coverage Agreement which are in conflict with the law of the State of North Carolina are hereby amended to conform to such law.

Defense of Claims

The Fund shall have the right and duty, using legal counsel selected by the Fund, to defend any Litigation to which coverage afforded by this Coverage Agreement applies even if such Litigation is groundless, false, or fraudulent, and to pay for the cost of defending the Litigation pursuant to the Fund's Litigation and Billing Procedures; provided, however, the Fund shall have no obligation to defend Litigation (even if any term, exclusion, or condition of this Coverage Agreement states that a defense will be provided) to which coverage hereunder applies on an excess basis only. Provided further that the Fund shall have no obligation to defend Litigation in which the Member is entitled to a defense, by contract or operation of law, under any other coverage, including insurance policies, coverage programs, self-insurance programs, or defense/indemnification agreements, whether such coverage be primary, excess, contingent, or otherwise. As a condition precedent to coverage under this Coverage Agreement, the Member shall cooperate with the Fund and its representatives in the investigation, defense, or settlement of any Claim. The Member shall attend hearings and trials and shall assist in obtaining the attendance of witnesses. No Member shall admit any liability, settle any Claim, waive any defense, incur any cost, or retain any attorney, the cost of which the Member expects the Fund to pay, without the prior written consent of the Fund. The Fund shall have the right to settle or compromise any Claim that the Fund deems expedient pursuant to the Fund's Claim Settlement Practices. The Fund shall not be obligated to pay any Claim or to defend any Litigation after the applicable Fund Limits and Excess Insurance Limits (if any) provided hereunder have been exhausted by the payment of Damages. As used in the preceding sentence, the term "exhausted" shall mean the payment of the total amount of Fund Limits plus the total amount of Excess Insurance Limits (if any) reflected in the Declarations of this Coverage Agreement or any endorsement.

Dismissal without Prejudice

In the event that Litigation (or any cause of action therein), to which this Coverage Agreement applies, is dismissed without prejudice at any time and new Litigation based upon one or more of the dismissed cause(s) of action at issue in the earlier Litigation is filed after the Coverage Period hereunder, this Coverage Agreement shall not provide coverage with respect to

the new Litigation. In the event that Litigation (or any cause of action therein), to which an earlier NCSBT Errors and Omissions/General Liability Coverage Agreement applies, is dismissed without prejudice at any time and new Litigation based upon one or more of the dismissed cause(s) of action at issue in the earlier Litigation is filed during the Coverage Period hereunder, this Coverage Agreement shall apply to the new Litigation to the extent that the terms and conditions of this Coverage Agreement provide coverage for the cause(s) of action included in the new Litigation.

Extended Reporting Period

In the event the Member's coverage under this Coverage Agreement is terminated, non-renewed or cancelled, a Claim covered under this Coverage Agreement must be reported to the Fund prior to the date of such termination, non-renewal, or cancellation or within thirty (30) days thereafter. If requested by the Member in writing to the Fund prior to the termination, non-renewal, or cancellation of coverage, an additional extended period for reporting Claims to the Fund may be available upon payment of an additional Fund Contribution. Provided, however, that such extended reporting period will remain in effect only as long as no other liability coverage or policy of insurance is in effect which would apply to any Claim reported during the extended reporting period.

Extrinsic Evidence

The Fund alone shall be entitled to rely on extrinsic evidence to determine whether coverage, including a duty to defend, applies to a Claim.

Fraudulent Claims

If a Member shall present any Claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Coverage Agreement shall be void and Member rights hereunder shall be forfeited.

Governmental Immunity

The defenses of statutory, constitutional, discretionary, and any other immunity available to the Member, as well as any statutory or other liability limits and/or damages caps, shall be utilized by the Fund where appropriate in defense of Claims against the Member.

Inspection, Audit, and Verification of Underwriting Information

The Fund shall have the right, but not a duty, to inspect the premises owned or used by the Member School District or to examine the records of a Member insofar as they relate to coverage afforded by this Coverage Agreement.

Limits of Liability

The total limits of liability of the Fund and the Excess Insurer (if any) for a Claim, or for all Claims within a Coverage Period when an aggregate limit applies, against a Member for Damages, are set forth on the Declarations page of this Coverage Agreement. Litigation arising out of or in connection with the same Incident or Related Incidents, regardless of the number of Claimants, the number of Members against whom Claims have been made, or the number of lawsuits filed, shall be considered one Claim and shall not increase the limits of liability per Claim or in the aggregate, when an aggregate limit applies.

In the event that Litigation is filed against one or more Members during the term of this Coverage Agreement, arising out of or in connection with the same Incident or Related Incidents which is/are the subject of Litigation to which one or more earlier NCSBT Errors & Omissions/General Liability Coverage Agreement(s) apply(ies), all such Litigation, regardless of the number of Claimants, the number of Members against whom Claims have been made, or the number of lawsuits filed, shall be considered one Claim, and the per-Claim and aggregate limits of liability applicable to such Litigation shall not exceed the per-Claim and Coverage Period aggregate limits of liability under the earliest applicable NCSBT Errors & Omissions/General Liability Coverage Agreement.

Litigation Against The Fund

No person or organization has a right under this Coverage Agreement:

- a. To join the Fund as a party or otherwise bring the Fund into Litigation asking for Damages from a Member; or
- b. To file Litigation against the Fund regarding this Coverage Agreement unless all of the Coverage Agreement's terms have been fully complied with.

A person or organization may file Litigation against the Fund to recover an agreed settlement or final judgment against a Member, but the Fund will not be liable for Damages that are not payable under the terms of this Coverage Agreement or that are in excess of the applicable Fund Limit. An agreed settlement means a settlement and release of liability signed by the Fund, the Member, and the claimant or the claimant's legal representative.

There are no third party beneficiaries to this Coverage Agreement.

No Cumulation of Coverages

If a Claim asserts allegations that are or could be covered under multiple lines of coverage provided by the Fund and/or the Excess Insurer (if any) under this Coverage Agreement (i.e. Errors and Omissions, General Liability, Sexual Acts and Abuse Liability, Cyber Liability (if applicable), Drone Liability, and/or under any Law Enforcement Liability Endorsement separately purchased by the Board), only one line of coverage shall be applied to the Claim. In such case, the maximum amount paid by the Fund and/or the Excess Insurer (if any) relating to the Claim will be the maximum limits applicable to the line of coverage applied to the Claim regardless of the allegations. It is the intention of this provision that there be no cumulation of coverages and/or coverage limits arising out of a single Incident or Related Incidents.

Notice of Claim

As a condition precedent to any coverage provided by this Coverage Agreement, the Member must give written notice to the Fund or its designee within fifteen (15) days of the Member's receipt of any Claim. It is the responsibility of the Member School District's Board of Education to ensure that all persons covered under the Coverage Agreement have knowledge of the notice requirement hereunder and that written notice of Claims against such persons be made to the Fund within the time provided hereunder.

State Board Intervention

In the event that the North Carolina State Board of Education or any of its officers, board members, employees, agents, or appointees (collectively, the "State Board") at any time suspends any of the powers and duties of the superintendent, finance officer, and/or board members of the Member School District, or otherwise intervenes in or takes over the operation of the Member School District, pursuant to statute or court order, this Coverage Agreement will not provide coverage in connection with such intervention, takeover, or suspension. Specifically, NCSBT will not provide a defense to or indemnify the State Board with regard to any Claim made against the State Board arising out of or in any way connected with such suspension, takeover, or intervention. Moreover, NCSBT will not provide a defense to or indemnify any person or entity, including any Member as defined in the Coverage Agreement, for any Claim arising out of or in any way connected with such suspension, takeover, or intervention, including but not limited to the execution of State Board directives.

Subrogation

In the event of any payment under this Coverage Agreement, the Fund shall be subrogated to all Member rights of recovery against any person or entity, and the Member shall cooperate with the Fund to secure the Fund's rights. The Member shall do nothing after a Claim is made to prejudice the rights of the Fund.

Terms of Excess Insurance

Excess Insurance (if any), over and above the coverage provided by the Fund, will be in addition to the Fund Limits of coverage defined herein and may contain limits, exclusions, provisions, terms, and/or conditions which vary from those provided by the Fund. The Excess Insurance (if any) is the sole responsibility of the Excess Insurer, and the Fund shall not be responsible for the payment of any amounts in excess of the Fund Limits shown in the Declarations under any circumstances. The Fund shall not be liable for any failure on the part of the Excess Insurer to make payment under the terms of the Excess Insurance.

Territory

This Coverage Agreement applies to Claims for Bodily Injury, Personal Injury, or Property Damage arising out of Incidents occurring anywhere in the world; provided, however, that such Claims are made within the jurisdiction of the United States of America, its territories or possessions, or Canada. This Coverage Agreement applies to Claims for Wrongful Acts and Electronic Information Security Wrongful Acts committed in the United States of America, its territories or possessions, or Canada.

ENDORSEMENT #1

RETROACTIVE DATE

This Endorsement, effective 12:01 AM July 1, 2021, forms a part of Errors & Omissions/General Liability Trust Fund Coverage Agreement 2021/2022-EOGL-190 issued to the Chatham County Board of Education by the North Carolina School Boards Trust ("Coverage Agreement").

Retroactive Date: Coverage provided by the Coverage Agreement applies only to Claims arising from Incidents occurring on or after the Retroactive Date of 12:01 AM 07-01-86.

ENDORSEMENT #2

NO-FAULT COVERAGE FOR MEDICAL EXPENSES ARISING OUT OF ACCIDENTAL INJURY

This Endorsement, effective 12:01 AM July 1, 2021, forms a part of Errors & Omissions/General Liability Trust Fund Coverage Agreement 2021/2022-EOGL-190 issued to the Chatham County Board of Education by the North Carolina School Boards Trust.

Subject to the terms and limits set forth below, the Fund will pay, regardless of fault, Medical Expenses incurred by or on behalf of Students and/or School Guests arising out of Accidental Injury occurring on School Campuses.

LIMITS OF COVERAGE

Per person:	\$ 2,500*
Per Occurrence:	\$ 5,000
Coverage Period aggregate:	\$ 25,000

*Notwithstanding the above, the Fund shall not pay more than \$2,500 per Student or School Guest during the Coverage Period, regardless of the number of Accidental Injuries.

DEFINITIONS

When used in this Endorsement, the following words and phrases are defined as set forth below:

Accidental Injury means physical injury arising out of an Occurrence on School Campuses owned or under the control of the Member School District, which is directly and independently caused by specific accidental contact with another person, structure, or object. Accidental Injury does not include loss which results in whole or in part, directly or indirectly, from sickness, disease, allergy, or other illness. Accidental Injury does not include injury to any person arising out of or in connection with any non-school sponsored event or activity.

Cosmetic Procedure means any type of procedure or service which is performed to improve appearance and which is not medically necessary.

Medical Expenses means reasonable expenses arising out of an Accidental Injury for necessary (1) first aid administered at the time of the Accidental Injury; (2) medical, surgical, and x-ray services and dental services to sound, natural teeth; (3) prescription medication; (4) medical appliances supplied by a physician's office or hospital; and/or (5) ambulance, hospital, professional nursing, and funeral services. The term Medical Expenses does not include expenses incurred for any psychiatric or counseling services; for any Cosmetic Procedures; or for any physiological or physical therapy services, unless such physiological or physical therapy services are prescribed by a physician.

Occurrence means an accident happening during the Coverage Period that causes Accidental Injury and that occurs during regular school hours or during a Student Event. All Accidental Injury attributable directly or indirectly to the same accident, event, conditions, cause, defect, or hazard shall be considered to be one Occurrence, regardless of the time period or area over which the Accidental Injury occurs or the number of persons sustaining Accidental Injury.

School Campuses means school buildings used for classrooms, laboratories, libraries, gymnasiums, auditoriums, cafeterias, sports fields, and/or similar Student facilities as well as surrounding, contiguous premises owned or leased by the Member School Board. The term School Campuses does not include school warehouses, garages, office buildings, or other facilities which are not routinely occupied by Students.

School Guest means a person who is lawfully on the School Campus during regular school hours or during a Student Event. School Guest does not include any non-Student participant in any before-school, after-school, extended day, vacation, teacher workday, inclement weather, holiday, day care, or other child care program. School Guest also does not include the parent(s) or guardian(s) of such a non-Student participant. School Guest does not include children attending a Lab School pursuant to Chapter 116, Article 29A of the North Carolina General Statutes, or their parents or guardians, unless coverage

is otherwise provided by Endorsement. School Guest does not include children attending a school in the Innovative School District, pursuant to Chapter 115C, Article 7A, or their parents or guardians, unless coverage is otherwise provided by Endorsement.

Student Event means a function sponsored by the Member School District which is under the supervision of a Member and which is for the primary benefit of Students.

EXCLUSIONS

Coverage under this Endorsement does not apply to:

1. Medical Expenses incurred by or on behalf of Employees of the Member School District.
2. Any expenses associated with the repair or replacement of damaged or lost eye glasses or contact lenses.
3. Medical Expenses covered, paid, or payable by workers' compensation, employee disability, occupational disease, or other similar law or statute.
4. Medical Expenses arising out of or in connection with, in whole or in part, the ownership, use, maintenance, or operation of any trampoline. Provided, however, that this exclusion shall not apply to Medical Expenses arising out of or in connection with mini-trampolines while being used with Students who are receiving special education services from the Member School District, unless such Medical Expenses are otherwise excluded under this Endorsement.
5. Medical Expenses arising out of or in connection with, in whole or in part, (a) the ingestion, inhalation, presence of, contact with, testing for, injection of, and/or exposure to one or more Contaminants, medicines, or drugs; or (b) the ingestion, inhalation, or self-insertion into the body of any foreign object or thing which is not intended to be ingested, inhaled, or inserted into the body.
6. Medical Expenses arising out of or in connection with, in whole or in part, (a) the ownership, leasing, purchasing, maintenance, operation, use, loading, or unloading of, or any instruction related to any Vehicle; (b) bus assignments or the supervision of Students or other persons getting on, getting off, or riding in Automobiles; (c) the design, location, or maintenance of bus routes, bus stops, roadways, signs, gates, bicycle routes, traffic flow, or ingress to/egress from school property; or (d) the hiring, training, retention, or supervision of any person who is involved in, or has responsibility for, any of the activities excluded from coverage under this exclusion.
7. Medical Expenses arising out of or in connection with, in whole or in part, (a) any criminal or intentional act initiated by the person sustaining the Accidental Injury; or (b) any sexual act, sexual molestation, sexual harassment, sexual assault, or sexual conduct or misconduct of any kind.
8. Medical Expenses arising out of or in connection with animal bites or any type of injury caused by an animal.
9. Over-the-counter medications.
10. Medical appliances other than those obtained from a physician's office or a hospital.
11. More than one medical consultation that is not accompanied by treatment for the Accidental Injury.
12. Medical Expenses incurred more than one year following the date of the Accidental Injury.
13. Medical Expenses arising out of or in connection with, in whole or in part, fainting, dizziness, or loss of consciousness which is not caused by specific accidental contact with another person, structure, or object.
14. Medical Expenses arising out of or in connection with, in whole or in part, non-contact and/or overuse injuries, including but not limited to stress fractures, ACL tears, meniscus or MCL tears, rotator cuff injuries, shin splints, tendonitis, strains, sprains, muscle pulls and tears, and blisters.

15. Expenses arising out of or in connection with, in whole or in part, dental services for veneers; bridges; implants; the whitening or bleaching of teeth; orthodontics (braces), or damage to or loss of orthodontics; or crowns, unless the crown is necessitated by a root canal.
16. Expenses arising out of or in connection with any late fees, interest, penalties, and/or finance charges assessed or charged by a medical provider or collection agency.
17. Medical Expenses arising out of or in connection with, in whole or in part (1) the transmission of viruses, bacteria, sickness, or disease; and/or (2) diagnostic tests related to the transmission or possible transmission of viruses, bacteria, sickness, or disease. This exclusion does not apply to Medical Expenses incurred in the treatment of a bacterial infection occurring in an open skin wound caused by an Accidental Injury.
18. Medical Expenses arising out of or in connection with, in whole or in part, hernias.
19. Medical Expenses arising out of or in connection with, in whole or in part, the ownership, maintenance, use, loading or unloading of, or the traveling in or upon any watercraft or any aircraft. Provided, however, that this exclusion shall not apply to Medical Expenses arising out of the use or operation of a Drone unless such use or operation of a Drone is otherwise excluded by Exclusion 20, below.
20. Medical Expenses arising out of or in connection with, in whole or in part: (a) the electronic malfunction and/or failure of electronic components, accessories, or power equipment of a Drone; (b) the operation of a Drone which is over 20 inches in length and/or weighs more than five pounds; (c) the operation of a Drone at an altitude higher than 400 feet or at a speed faster than 50 miles per hour; (d) the operation of a Drone between sunset and sunrise, in weather that allows less than three miles of visibility, outside the operator's visual line of sight, or indoors; or (e) the operation of a Drone that was not included in the Member's schedule on file with NCSBT at the time of the Occurrence.

CONDITIONS

Excess over Insurance, Other Coverage, or Benefits

Coverage under this Endorsement is specifically written to be excess over (1) benefits or amounts covered, paid, or payable to or on behalf of the injured person under any agreement or insurance policy providing medical payments coverage; (2) benefits or amounts covered, paid, or payable to or on behalf of the injured party under any federal, state, or local government program including but not limited to any Victims of Crime Compensation Fund, Medical Assistance Program, or Medicaid Program pursuant to N.C.G.S. § 108A-54 et seq.; and (3) benefits or amounts covered, paid, or payable under an insurance policy or an agreement of medical, dental, vision, accident, or other health coverage (whether group, family, individual, or otherwise). No benefits will be paid under this Endorsement unless and until (1) the injured Student or School Guest (or parent or guardian of such injured Student or School Guest) has properly and timely submitted claim(s) for benefits payable under all other applicable medical payment agreements; benefit programs; medical, dental, vision, accident, or other health coverage; insurance policies; coverage agreements; and/or government programs; and (2) such claims have been fully and finally processed.

Incorporation of Terms

The following provisions of the NCSBT Errors & Omissions/General Liability Trust Fund Coverage Agreement are incorporated herein by reference: Coverage Period; Definitions of Automobile, Claim, Contaminant, Coverage Period, Drone, Employee, Fund, Member, Member School District, Mobile Equipment, Student, and Vehicle; Cancellation and/or Revisions; Complete Agreement; Conflicting Statutes; Fraudulent Claims; Inspection, Audit, and Verification of Underwriting Information; Litigation against the Fund; and Subrogation.

Occurrence-Based Coverage

The no-fault coverage described in this Endorsement is provided on an "occurrence" basis. This means that the coverage applies to Accidental Injury resulting from an Occurrence which happens during the Coverage Period.

Neither the happening of an Occurrence during the Coverage Period nor the payment of Medical Expenses by the Fund as a result of such Occurrence in any way triggers liability coverage under the NCSBT Errors & Omissions/General Liability Trust Fund Coverage Agreement for injury caused by the same accident. The liability coverage provided under the Errors & Omissions/General Liability Trust Fund Coverage Agreement is claims-made coverage which is triggered only by a Claim being made during the Coverage Period, pursuant and subject to all of the terms, exclusions, and conditions of such Coverage Agreement.

Payment of Claims

The Fund shall make payments under this Endorsement only to (1) parents, legal guardians, injured School Guests, or injured Students who have made documented out-of-pocket payments for covered Medical Expenses arising out of Accidental Injuries, or (2) medical providers who have documented outstanding bills for covered Medical Expenses arising out of Accidental Injuries.

Reporting and Investigation of Accidental Injuries

As a condition precedent to the payment of benefits under this Endorsement, the following requirements must be met:

1. An Accidental Injury must be reported to the Superintendent of the Member School District or the Superintendent's designee within thirty (30) days of the Occurrence;
2. A Fund-approved Medical Expense Certificate, signed before a notary public by the person who sustained the Accidental Injury or, if a minor, by his or her parent or legal guardian, must be fully completed and delivered to the Fund within one year of the date of the Occurrence with an incident report prepared by the Superintendent or his or her designee stating the date, time, and location of the accident and listing any witnesses or persons known to have knowledge of the accident and copies of all bills for Medical Expenses for which payment or reimbursement is sought. Any supplementary Medical Expenses not submitted with a timely filed Medical Expense Certificate which relate to medical treatment received within one year of the Occurrence must be submitted to the Fund within 14 months of the date of the Occurrence along with a fully completed Supplement to Medical Expense Certificate form and any other necessary supporting documentation; and
3. All information necessary for the Fund to comply with Centers for Medicare & Medicaid Services reporting requirements, including but not limited to the full name, date of birth, gender, and the last five digits of the social security number of the person who sustained the Accidental Injury, must be promptly provided to the Fund upon request.

As further conditions precedent to the payment of benefits under this Endorsement, the Member School District and the person who sustained Accidental Injury (or, if a minor, his or her parent or legal guardian) must cooperate with the Fund in the investigation of the Occurrence and promptly provide information and/or supporting medical records requested by the Fund; and the person who sustained Accidental Injury must submit, at the Fund's request, to physical examinations by physicians chosen by the Fund and at the Fund's expense.

ENDORSEMENT #3

SUPERINTENDENT LIABILITY

This Endorsement, effective 12:01 AM July 1, 2021, forms a part of Errors & Omissions/General Liability Trust Fund Coverage Agreement 2021/2022-EOGL-190 issued to the Chatham County Board of Education by the North Carolina School Boards Trust ("Coverage Agreement").

This Endorsement applies only to a Member (i) who is elected and employed as superintendent by the Board pursuant to N.C.G.S. §115C-271; and (ii) whose employment contract with the Board requires that the Board defend and indemnify such Member against Claims brought against him or her arising out of his or her employment as superintendent.

Exclusions: With respect to a Member to whom this Endorsement applies, Exclusion 33 of the Coverage Agreement is hereby deleted and removed.

All other terms of the Coverage Agreement remain unchanged and in effect.

This endorsement provides supplemental Reimbursement coverage for expenses incurred by the Member School District as a result of Cyber Perils. It is intended to complement any services provided by the State of North Carolina's Department of Information Technology (DIT) or other State agency, to the extent such services are available to Members, and allows Members to maximize the resources available to them after a Cyber Peril. It is intended to reimburse expenses not covered by insurance policies or cyber coverage available to the Member School District.

ENDORSEMENT #4

SUPPLEMENTAL CYBER REIMBURSEMENT

This Endorsement, effective 12:01 AM July 1, 2021, forms a part of Errors & Omissions/General Liability Trust Fund Coverage Agreement 2021/2022-EOGL-190 issued to the Chatham County Board of Education by the North Carolina School Boards Trust ("Coverage Agreement").

Subject to the terms and limits set forth below, the Fund will reimburse the Member School District for Covered Expenses that are necessary to respond to a Cyber Peril during the Coverage Period.

The coverage provided by this Endorsement applies only to Reimbursement of Covered Expenses not covered under any other insurance policy or cyber coverage agreement that provides first-party cyber coverage to the Member School District, whether such insurance or coverage agreement is primary, excess, contingent, discretionary, or otherwise.

LIMITS OF COVERAGE

Per Incident: \$25,000

Coverage Period aggregate: \$25,000

Coverage Period Fund Maximum Limit (for all Incidents experienced by all Members of the Fund during the Coverage Period): \$500,000

RETROACTIVE DATE

July 1, 2017

DEFINITIONS

When used in this Endorsement, the following words and phrases are defined as set forth below:

Confidential Information means any records that are not public records under North Carolina law or are otherwise protected or privileged under state or federal law.

Coverage Period Fund Maximum Limit means the maximum amount the Fund will pay under this Endorsement for all Incidents experienced by all Members of the Fund during the Coverage Period.

Cyber Peril means any

- a. unauthorized access to;
- b. unauthorized use of;
- c. Denial of Service Attack on; or
- d. introduction of unauthorized, corrupting, or harmful software into

the Computer System, which is designed to damage, destroy, corrupt, or disrupt the use of the Computer System or to gain access to Personal Information.

Cyber Extortion means an attack or specific credible threat of attack (coupled with a Ransom Demand to avert or stop the attack) to prevent access to the Computer System, to introduce malware into the Computer System, or to divulge Confidential Information of the Member School District or Personal Information entrusted to the Member School District.

Data Breach means the collection, use, or disclosure of Personal Information stored within the Computer System or in a “cloud computing” or other hosted resource operated by a third-party provider by a person (a) who is not authorized to access such information or (b) who is authorized to access such information but whose access results in the unauthorized disclosure of such information.

Electronic Data means data in digital form which is stored in the Computer System.

Electronic Data Loss means the loss of Electronic Data stored within the Computer System resulting directly from a Cyber Peril.

Incident means a Cyber Extortion, Electronic Data Loss, or Data Breach; or a series of related Cyber Extortions, Electronic Data Losses, or Data Breaches; or any combination thereof.

Ransom Demand means a single demand for ransom or a series of related demands for ransom.

Reimbursement means repayment of Covered Expenses incurred and paid by the Member School District.

COVERED EXPENSES

Covered Expenses means expenses reasonably incurred and paid by the Member School District that are necessary to respond to any Cyber Peril. Covered Expenses under this Endorsement do not include expenses covered by any insurance policy or cyber coverage agreement that provides first-party cyber coverage to the Member School District, whether such insurance or coverage agreement is primary, excess, contingent, discretionary, or otherwise.

EXCLUSIONS

This Endorsement does not provide Reimbursement for expenses incurred as a result of:

1. Any Incident arising out of or in connection with, in whole or in part, the North Carolina student information system, Home Base, or any other statewide technology platform, database, or web-based application which is implemented, operated, and/or maintained by the North Carolina Department of Public Instruction.
2. Any Incident arising out of or in connection with, in whole or in part, the acts, errors, or omissions of a third-party supplier or vendor.
3. Any Incident arising out of or in connection with, in whole or in part, any dishonest, fraudulent, criminal, or malicious act, error, or omission, or any intentional or knowing violation of the law committed by any Member.
4. Any Incident arising out of or in connection with, in whole or in part, any act, error, omission, event, or breach that was committed or occurred prior to the Retroactive Date applicable to this Endorsement.
5. Any Incident arising out of or in connection with, in whole or in part, any related or continuing acts, errors, omissions, events, or breaches where the first such act, error, omission, event, or breach was committed or occurred prior to the Retroactive Date applicable to this Endorsement.
6. Any damage to, or any failure, slowdown or interruption of the Computer System for any reason other than a Cyber Peril.
7. Any loss arising out of or resulting from (a) changes in value of accounts; (b) any loss, transfer, or theft of monies, securities, or tangible property of others in the care, custody, or control of the Member School District; (c) the monetary value of any transactions or electronic fund transfers by or on behalf of the Member School District which is lost, diminished, or damaged during transfer from, into, or between accounts.
8. Any costs associated with legal services or public relations or communications services or guidance.

9. Any Incident arising out of or resulting from, in whole or in part, any failure to install available software product updates and releases, or to apply security-related software patches to computers and other components of a computer system, when such updates, releases, or patches have been available to the Member for more than 30 days.
10. Preventive cyber risk assessments that are not directly related to responding to a Cyber Extortion, Electronic Data Loss, or Data Breach. Such assessments include, but are not limited to penetration testing, vulnerability scanning and assessments, and breach readiness reviews.
11. Response planning such as tabletop exercises, time spent formulating recommendations for future risks, and security operations consulting.
12. Data Breach call centers for unaffected populations.
13. Credit monitoring at more than one credit bureau.
14. The payment of ransom demands where:
 - a. Such payment is prohibited by applicable state or federal law; or
 - b. Such payment is in response to a threat of Cyber Extortion that has not been determined to be credible by:
 - i. Employees of the North Carolina Department of Information Technology, or other state agency involved in responding to the Cyber Peril, or
 - ii. An independently retained cyber security consultant with expertise in evaluating Cyber Extortion threats.
15. Internal salary or overhead expenses of the Member School District.
16. Basic data entry or re-entry.

CONDITIONS

1. Incorporation of Terms. The following provisions of the NCSBT Errors & Omissions/General Liability Trust Fund Coverage Agreement are incorporated herein by reference: Coverage Period; Definitions of Computer System, Denial of Service Attack, Fund, Member, Member School District, and Personal Information; Cancellation and/or Revisions; Complete Agreement; Conflicting Law; Fraudulent Claims; and Subrogation.
2. Inspection audit and verification of underwriting information. The Fund shall have the right, but not the duty, to inspect the premises and equipment owned or used by the Member School District and to examine the records of the Member School District insofar as they relate to coverage afforded by this Endorsement.
3. Conditions Precedent to the Reimbursement of Covered Expenses. In order to receive Reimbursement pursuant to this Endorsement, a Member School District is required to meeting the following conditions:
 - a. As soon as possible after a Cyber Incident is discovered, the Member School District must notify the State by calling the DIT Customer Support Center at 800-722-3946 or submitting an Incident Report Form at <https://it.nc.gov/resources/cybersecurity-risk-management/nc-information-sharing-analysis-center/statewide>.
 - b. Any request for Reimbursement must be submitted on a form satisfactory to the Fund within thirty (30) days of the payment of the Covered Expenses.
 - c. The Member School District must provide to the Fund a copy of any other applicable insurance policy or coverage agreement that covers all or part of the Cyber Incident prior to receiving any Reimbursement.
 - d. The Member School District must provide to the Fund all paid invoices and expense receipts for any expense for which Reimbursement under this Endorsement is sought.

ENDORSEMENT # 9

COVID 19 DEFENSE COVERAGE

This Endorsement, effective 12:01 AM July 1, 2021, forms a part of Errors & Omissions/General Liability Trust Fund Coverage Agreement 2021/2022-EOGL-190 issued to the Chatham County Board of Education by the North Carolina School Boards Trust ("Coverage Agreement").

The following paragraph is added to the "Coverage Agreement" section of the Coverage Agreement:

COVID-19: The Fund hereby agrees, subject to the Declarations, Fund Limits, Definitions, Exclusions, and Conditions contained herein, to defend any Litigation (using counsel selected by the Fund) arising from any Bodily Injury Claim first made against the Member and reported to the Fund during the Coverage Period stated in the Declarations of this Coverage Agreement, which alleges exposure to, or transmission of the SARS-CoV-2 virus/COVID-19 but only if such Bodily Injury first occurs during the Coverage Period or on or after the Retroactive Date in the Declarations and is caused by the acts or omissions of a Member ("COVID Litigation").

The Fund shall pay for the cost of defending COVID Litigation pursuant to the Fund's Litigation and Billing Procedures. Provided, however, the Fund shall have no obligation to defend COVID Litigation in which the Member is entitled to a defense, by contract or operation of law, under any other coverage, including insurance policies, coverage programs, self-insurance programs, or defense/indemnification agreements, whether such coverage be primary, excess, contingent, or otherwise. As a condition precedent to coverage under this Endorsement, the Member shall cooperate with the Fund and its representatives in the investigation and defense of any COVID Litigation. The Member shall attend hearings and trials and shall assist in obtaining the attendance of witnesses. No Member shall incur any cost, or retain any attorney, the cost of which the Member expects the Fund to pay, without the prior written consent of the Fund.

For purposes of this Endorsement only, the definition of the term "Contaminant" is amended to delete the word "virus."

For purposes of this Endorsement only, Exclusion No. 33 is amended to read as follows:

33. To any Claim against any Member who is an insured under any state-funded liability insurance policy for North Carolina public school employees, whether such liability insurance policy is primary, excess, contingent, or otherwise. Provided, however, that this exclusion shall not apply when the state-funded liability carrier has declined to provide a defense and:
- the Claim is one in which an Employee is sued only in his or her official capacity, unless such Claim is otherwise excluded under this Coverage Agreement; or
 - the Claim falls within the scope of the Sexual Acts and Abuse Liability, Cyber Liability (if applicable), Drone Liability, or Personal Injury coverages provided under this Coverage Agreement, unless such Claim is otherwise excluded under this Coverage Agreement; or
 - the Claim is one for Wrongful Acts brought by a current or former Employee against a Member, unless such Claim is otherwise excluded under this Coverage Agreement;
 - the Claim seeks only declaratory, injunctive, or other equitable relief or cost of seeking such relief, including attorneys' fees, unless such Claim is otherwise excluded under this Coverage Agreement; or
 - the Claim falls within the scope of the COVID 19 Defense Coverage provided in Endorsement 9, unless such Claim is otherwise excluded under this Coverage Agreement.

The coverage provided by this Endorsement is defense coverage only. Neither the Fund nor any Excess Carrier shall have an obligation to pay any Damages or settlement resulting from COVID Litigation.

All other terms of the Coverage Agreement remain unchanged and in effect.

North Carolina School Boards Trust EO/GL Fund
Drone Schedule (Liability)
CHATHAM COUNTY BOARD OF EDUCATION

SERIAL #	MANUFACTURER	MODEL	DESCRIPTION	COST	LENGTH	WEIGHT	ADD DATE
CP.PT.000168	DJI	Phantom 3 Standard	White Standard Quadcopter	\$518.98	289.5 mm -> 11.40	1216g -> 2.68 lbs	8/22/2016